

Metropolitan Transportation Commission Programming and Allocations Committee

July 8, 2009

Item Number 3c

REVISED: American Recovery and Reinvestment Act Project Delivery Update

Subject: Update on the region's delivery of ARRA Projects

Background: On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA), which enacted a \$787 billion economic recovery package calling for significant new spending as well as tax cuts. The ARRA includes \$48 billion for the Department of Transportation. Specifically, the Act includes \$27.5 billion in Federal Highway Administration (FHWA) funding and \$8.4 billion in Federal Transit Administration (FTA) funds. On February 25, 2009 the Commission approved the programming of an initial amount of \$154 million for the FHWA portion and the full amount of \$341 million for the FTA portion (MTC Resolution No. 3885).

As you'll recall, MTC imposed strict delivery requirements on system preservation projects in an attempt to quickly get the projects into construction. As a reminder, the milestones are shown below:

System Preservation Projects	
▪ Obligation/Grant Award	▪ May 31, 2009, or within approximately 90 days of Commission adoption
▪ Contract award:	▪ September 30, 2009 (Local Road) ▪ November 30, 2009 (Transit)

One deadline has passed – the requirement that funds be obligated by May 31st. On the transit side, 78% of the funding has been obligated as of the close of June.

Transit Operator	Tier 1 ARRA Funding	Total Grants Executed	% Obligated
AC Transit	\$25,738,903	\$ 25,738,903	100%
BART	\$65,368,239	\$ 65,368,239	100%
Caltrain	\$10,409,632	\$ 10,409,632	100%
GGBHTD	\$9,426,469	\$ 9,426,469	100%
SFMTA	\$67,245,980	\$ 67,245,980	100%
Samtrans	\$7,878,269	\$ 7,878,269	100%
VTA	\$47,504,684		0%
ACE	\$2,954,552	\$ 2,954,552	100%
CCCTA	\$4,265,594	\$ 4,265,594	100%
ECCTA	\$4,063,232		0%
Fairfield	\$3,134,985	\$ 3,134,985	100%
LAVTA	\$3,002,219	\$ 3,002,219	100%
NCTPA	\$2,779,727		0%
Santa Rosa CityBus	\$4,289,133		0%
Sonoma County Transit	\$1,955,044	\$ 1,955,044	100%
Union City	\$297,060	\$ 297,060	100%
City of Vacaville	\$2,217,074	\$ 2,217,074	100%
City of Vallejo	\$7,612,324	\$ 7,612,324	100%
City of Benicia	\$132,000		0%
WestCat	\$761,237	\$ 761,237	100%
Total	\$271,036,357	\$212,267,581	78%

For streets and roads, as you can see from the chart below, the region has obligated roughly \$111 million, or 91% of the Streets and Roads Tier 1 funding as of July 3. This translates into 97 of the 113 projects receiving their federal authorization. One county - Napa – has failed to obligate any of its Tier 1 funding.

County	LS&R Tier 1 Programmed		LS&R Tier 1 Delivered (Obligated)				LS&R Tier 1 Remaining Balance	
	Amount	No. of Projects	Amount	% Amount	No. of Projects	% No. of Projects	Amount Remaining	No. of Projects Remaining
Alameda	\$24,640,000	11	\$24,640,000	100%	11	100%	\$0	0
Contra Costa	\$17,850,000	23	\$15,424,000	86%	19	83%	\$2,426,000	4
Marin	\$4,800,000	9	\$810,000	17%	4	44%	\$3,990,000	5
Napa	\$3,190,000	4	\$0	0%	0	0%	\$3,190,000	4
San Francisco	\$11,350,000	5	\$11,350,000	100%	5	100%	\$0	0
San Mateo	\$11,080,000	21	\$10,527,000	95%	20	95%	\$553,000	1
Santa Clara	\$26,460,000	19	\$26,031,000	98%	18	95%	\$429,000	1
Solano	\$9,730,000	11	\$9,330,000	96%	10	91%	\$400,000	1
Sonoma	\$12,900,000	10	\$12,900,000	100%	10	100%	\$0	0
Total	\$122,000,000	113	\$111,012,000	91%	97	86%	\$10,988,000	16

The next milestone, contract award, is even more important from the standpoint of job preservation and creation. We will provide a status report in the fall on contract awards for the system preservation projects as well as provide updates on the delivery of the non-preservation projects.

Issues:

1) Reasons for Delivery Failures: Some specific reasons that sponsors may not have met obligation deadlines include: a) jurisdictions added the majority of their Tier 2 funds to Tier 1 projects and Tier 2 was not approved by the Commission until April (Contra Costa, Marin, San Mateo and Sonoma Counties); b) Caltrans was asked to prioritize non-ARRA project revenue where it appeared there was a risk of losing funds to the region; and c) Federal review of transit grants generally exceeded the time for typical grants because of additional administration and congressional review.

2) Delivery Failure Consequences: In developing the ARRA policies, staff had envisioned that projects not meeting the delivery deadlines would have their funding redirected to other more ready-to-go projects in the region. Given that the sponsors of the projects noted above have submitted requests to Caltrans and FTA, staff is now recommending that the Commission consider imposing penalties on future programming for not meeting the ARRA deadlines. This will ensure that ARRA funds continue to move through the pipeline and help with economic recovery in the near-term, while still imposing regional consequences for not meeting delivery deadlines. The objective is to ensure that limited federal dollars are invested in ready-to-go projects. Specific project delivery proposals will be provided as part of the New Act programming proposal that will be brought to you in September or October 2009.

Recommendation: Information. No action required.

Attachments: No attachments.